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June 4, 2009

Jennifer J. Johnson
Secretary,
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

RE: Docket No. R-1314 Unfair or Deceptive Acts or Practices; Clarifications
Docket No. R-1286, Regulation Z, Proposed Rule

Dear Ms. Johnson,

The Air Conditioning Contractors of America (ACCA) submits these comments in response to the notice posted at page 20804 in the May 5, 2009, issue of the Federal Register (Volume 74, No. 85) with regards to the clarifications to the proposed rules protecting consumers from unfair acts or practices with respect to consumer credit accounts by the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, and the National Credit Union Administration (the Agencies). On the same day, the Agencies also published a notice amending proposed changes to Regulation Z. The two proposed rules are intended to compliment each other.

ACCA represents the small businesses that employ a superior class of air conditioning and refrigeration technicians and professionals across the nation. Every day, thousands of ACCA member companies help homeowners, building managers, and small and large businesses realize the comfort, cost benefits, and convenience of energy efficient heating, ventilation, and air conditioning (HVAC) equipment.

ACCA supports the goals of the Agencies to protect consumer credit accounts from unfair acts or practices. Further, ACCA appreciates the opportunity to provide the comments of HVAC contracting businesses on this rulemaking. Our member companies applaud the Agencies for proposing the clarifications, especially with regards to deferred interest or waived interest promotions, also known as same as cash promotions.

ACCA supports the rules changes proposed by the Agencies to allow same as cash plans promotions to be offered by financial institutions.

A Federation of 60 State and Local Affiliated Organizations

While ACCA member companies may not be financial institutions, a recent survey found that more than two thirds offer some form of same as cash financing for homeowners contracting HVACR improvements. ACCA member companies utilize third party lenders to offer these finance plans to their customers.

The unexpected failure of an HVAC system can result in expensive replacement or repair work. Without the ability to use same as cash financing to pay for the work, the homeowner could be exposed to unsafe conditions when extreme weather poses a health or property risk. Same as cash promotions are crucial to the homeowners facing emergency repairs.

At the same time, many homeowners take advantage of same as cash plans when making planned system upgrades. Recent changes in the tax law allow homeowners to claim up to \$1500 in tax credits for installing highly efficient HVAC appliances. Systems that qualify for these incentives tend to be more expensive. Same as cash promotions help the homeowner finance these system upgrades so they can enjoy the benefits of lower utility bills, fewer greenhouse gas emissions, and better indoor air quality.

In summary, same as cash financing is crucial to the HVAC contractors and the entire home servicing contracting industry. Again, ACCA applauds the Agencies for clarifying these rules to allow these promotions.

Sincerely,

A handwritten signature in dark ink, appearing to read 'JMC', followed by a long horizontal line extending to the right.

Charles McCrudden
Vice President, Government Relations
Air Conditioning Contractors of America